



## The Pacific Regional Report of the Cooperative Audit of Preparedness for Implementation of Sustainable Development Goals



### PASAI's 6th Cooperative Performance Audit



## FOREWORD

The call for the oversight role of Supreme Audit Institutions (SAIs) in the efficient, effective, transparent and accountable implementation of the 2030 Agenda is explicitly recognised in the UN General Assembly's December 2014 resolution 'Promoting and fostering the efficiency, accountability, effectiveness and transparency of public administration by strengthening supreme audit institutions' (A/69/228). The SAI oversight role is further elaborated in the Sustainable Development Goal (SDG) 16.

In 2016, 73 SAIs and one sub-national audit office from six INTOSAI regions signed up to participate in an ISSAI-based cooperative performance audit of preparedness for implementation of the (SDGs). The purpose of the cooperative performance audit was to highlight the ongoing relevance of SAIs, by their contribution through high-quality performance audits of country preparedness to implement the SDGs.

The INTOSAI Development Initiative (IDI)/United Nations Department of Social and Economic Affairs (UNDESA) cooperative audit of nations' preparedness for implementing the SDGs was based on a critical design feature – a Whole of Government approach. This new way of working implies that any audit of the implementation of an individual SDG goal or target will also need to look at its interconnections with other goals and targets.

Across the Pacific region, 13 SAIs participated in the cooperative audit – Cook Islands, Fiji, Federated States of Micronesia (FSM) National, FSM Pohnpei, FSM Kosrae, FSM Yap, Kiribati, Palau, PNG, Samoa, Solomon Islands, Tonga, and Tuvalu. This audit was led by the FSM National Public Auditor's office in combination with the state SAIs of Kosrae, Pohnpei, and Yap. Because the Public Auditor's office in the State of Chuuk was in transition, the national office also assessed preparedness in the State of Chuuk. Such a grouping of SAIs working simultaneously on an audit topic enabled the auditors to test the quality of SDG administrative arrangements put in place, not just at the national level, but the necessary preparedness linkages with state administrations and finally local and/or village councils. As a result, there was one consolidated audit report that reported on the administrative preparedness to implement the SDGs at the national level plus at the state and local levels.

With the use of the Whole of Government approach, it is fair to comment that Pacific island states, audited in this cooperative exercise, were experiencing the same degree of complexity that other developing nations around the world were in preparing for the successful implementation of the SDGs.

PASAI supported member SAIs to participate in this cooperative audit by joining with IDI to facilitate the planning and reporting meetings and provided dedicated on-site support to audit teams where required.

Of the 13 Pacific SAIs involved in the cooperative audit, five audit reports from SAIs of Fiji, Palau, Tuvalu, Solomon Islands and the FSM have been tabled in the respective legislatures and published while another four Pacific SAIs are finalising their audit reports. It is anticipated that once the reports have been finalised, these will be presented in the respective legislatures and published.

The purpose of this regional report is to present the initial key findings of those audit reports that have been publicly released. With regard to data, everyone agreed on its importance to the monitoring of SDG implementation but also recognised the current level of data paucity in a number of Pacific Island states.

In July 2019, SAI Heads from Fiji and Solomon Islands were invited to attend a meeting jointly organised by IDI and UNDESA at the United Nations Headquarters in New York. SAI Fiji presented during the session held on “What differences have the audits made” and shared country experiences on the impact of their preparation audit, engagement in the VNR process and lessons learned during this process. SAI Solomon Islands presented on the session “Insights and recommendations from the SDG preparedness audits - Policy integration, budgets, and partnerships”. PASAI also presented on the session “Auditing SDG implementation – Exploring opportunities for collaboration.” Seven member SAIs attended the meeting (Fiji, New Zealand, Palau, Solomon Islands, Samoa, Tonga, and Vanuatu).

At the 2019 PASAI Congress held in Fiji, the IDI presented their ongoing support through the development of the IDI SDGs Auditing Model (ISAM). As a tool to use, once finalised, by SAIs in their audit of the implementation of SDGs and provided inputs towards improving the proposed model and indicated their willingness to audit using the model but stated that they would need support to do this.

Last but not least, I would like to acknowledge the untiring efforts of A'eau Agnes Tuiai-Aruwafu, former PASAI Director – Technical Support, in coordinating this regional cooperative audit program. Also, Ms. Claire Kelly, former PASAI Performance Audit Advisor for her professional assistance and guidance throughout the program. On behalf of PASAI, I thank them for the success of the program and in preparing this regional report. I wish them all the best in their future endeavour.



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PASAI CHAIRMAN  
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## INTRODUCTION

In 2016, 73 SAIs and one sub-national audit office from six INTOSAI regions signed up to participate in an ISSAI-based cooperative performance audit of preparedness for implementation of the Sustainable Development Goals (SDGs). The purpose of the cooperative performance audit was to highlight the ongoing relevance of SAIs, by their contribution through high-quality performance audits of country preparedness to implement the SDGs.

PASAI supported member SAIs to participate in this cooperative audit by joining with IDI to facilitate the planning and reporting meetings and provided dedicated on-site support to audit teams where required.

Across the Pacific region, 13 SAIs participated in the cooperative audit – Cook Islands, Fiji, Federated States of Micronesia (FSM) National, FSM Pohnpei, FSM Kosrae, FSM Yap, Kiribati, Palau, PNG, Samoa, Solomon Islands, Tonga and Tuvalu.

### Complex Audit Design

The IDI/UNDESA cooperative audit of nations' preparedness for implementing the SDGs was based on a key design feature – a Whole of Government approach. The UN 2030 agenda challenged national governments to do business in a different way. Learning from the implementation of the Millennium Development Goals (MDGs), governments were asked to work in an integrated way across the traditional silos and with non-state actors to achieve sustainable development goals. If a particular target required the coordinated input of a number of ministries to be successful, then ministries or line agencies should work together. This requires three levels of integration:

1. Horizontal integration: Across ministries/agencies
2. Vertical integration: Between levels of government (national/federal to local)
3. Engage with stakeholders and civil society

This new way of working implies that any audit of implementation of an individual SDG goal or target will also need to look at its interconnections with other goals and targets.

The guidance developed by our international partners – *Guidance on Auditing Preparedness* – and used by SAIs engaged in the cooperative audit effort set three high level audit objectives. Each objective was broken down into relevant audit questions that could be tailored to and tested in the individual jurisdictions. Once SAI management had assembled their audit teams, a planning meeting was held where individual SAI teams were able to develop criteria appropriate to their jurisdiction and which were suitable to take into the field. Such an approach provided a common framework for aggregated reporting and covered the following key audit objectives:

**Audit Objective 1:** To what extent has the government adapted the 2030 Agenda into its national context?

**Audit Objective 2:** Has the government identified and secured resources and capacities (means of implementation) needed to implement the 2030 Agenda?

**Audit Objective 3:** Has the Government established a mechanism to monitor, follow-up, review and report on the progress towards the implementation of the 2030 Agenda?

## Institutional SAI support for this audit

In addition to individual SAIs dedicating their resources to this audit, significant support was also provided by international stakeholders. These included:

- A high-level planning framework elaborated through the INTOSAI and IDI Strategic Plans.
- A multi-faceted support framework for SAIs:
  - an e-learning course designed to inform audit teams not only about what governments needed to do to implement the SDGs but also how audit teams could go about auditing these arrangements, and
  - Auditing Preparedness for Implementation of Sustainable Development Goals – this guidance for Supreme Audit Institutions was developed jointly between the UN, the INTOSAI Knowledge Sharing Committee and IDI.

This was a unique opportunity for Pacific SAIs to engage in this international effort and reach out to state and non-state stakeholders to demonstrate the ongoing relevance of SAI work to the implementation of the UN SDGs in the Pacific region. In particular, Sustainable Development Goal 16 calls for signatories to the UN 2030 Agenda to: **promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels**. The UN has designated SAIs a distinct accountability role in this space. This resonates with PASAI's strategic plan goal: **PASAI promotes transparent, accountable, effective, and efficient use of public sector resources in the Pacific**.

Mainstreaming the UN 2030 Agenda through a Whole of Government approach at the country level presents governments with a high degree of complexity, requiring them to take action in the following dimensions:

- Raising public awareness;
- Applying multi-stakeholder approaches;
- Tailoring SDGs to national, sub-national and local contexts;
- Creating horizontal and vertical policy coherence;
- Budgeting;
- Monitoring, reporting and accountability;
- Recognising the interdependency of the SDGs and developing institutional solutions.

These key features of effective mainstreaming are the platform for national systems' preparedness and the focus of the cooperative audit effort. It is important that national governments and their sub-national counterparts, such as state and local governments, work holistically to put in place the necessary institutional arrangements, reflecting the mainstreaming dimensions set out above to support SDG implementation. This is where SAIs can help to accelerate this process through this audit of national system preparedness.

## PASAI EXPERIENCE

The UN 2030 Agenda and its policy settings have set a high bar for countries to implement the SDGs and equally for SAIs to audit national preparedness arrangements.

As UNDESA commented in 2017:

*The scope and depth of the 2030 Agenda is so comprehensive that no state, organization or institution can pursue it in isolation. A whole of society approach and*

*coordinated action between all levels and sectors of government and all stakeholders is needed. Auditing preparedness requires similar lenses.*

With this context in mind, it is fair to comment that Pacific Island nation states, audited in this cooperative exercise, were experiencing the same degree of complexity that other developing nations around the world were in preparing for the successful implementation of the SDGs.

The purpose of this regional report is to present the initial key findings of those audit reports that have been publicly released. Of the 13 Pacific SAIs involved in the cooperative audit: 5 audit reports have been tabled in the respective legislatures and published. These include the SAIs of Fiji, Palau, Tuvalu, Solomon Islands and the FSM. It is interesting to note and reflect on the coordinated audit carried out within the FSM. This audit was led by the FSM National Public Auditor's office in combination with the state SAIs of Kosrae, Pohnpei and Yap. Because the Public Auditor's office in the state of Chuuk was in transition, the national office also assessed preparedness in the state of Chuuk. Such a grouping of SAIs working simultaneously on an audit topic enabled the auditors to test the quality of SDG administrative arrangements put in place not just at the national level, but the necessary preparedness linkages with state administrations and finally local and/or village councils. As a result, there was one consolidated audit report that reported on the administrative preparedness to implement the SDGs at the national level plus at the state and local levels. In addition, another four Pacific SAIs are finalising their audit reports – Cook Islands, PNG, Samoa and Tonga.

Focusing on the Pacific experience, several major conclusions can be drawn from the wealth of information provided by the SAIs to date. This is useful from two perspectives:

- Learning and sharing preparedness experiences and lessons from a regional SDG perspective; and
- At the SAI level - recognition that involvement in the audit stretched the capacities of many SAIs but also offered opportunities for enhanced audit practice.

With regard to data, everyone agreed on its importance to the monitoring of SDG implementation but also recognised the current level of data paucity in a number of Pacific Island states. There is significant room for improvement at both the country level of data collection and the SAIs' capacity to analyse data. This will become increasingly important once SAIs commence to audit individual goals and targets during the implementation phase of the SDGs.

1. Inclusiveness, while difficult to track, could well be invited into every country's agenda through the model used for gender mainstreaming. SDG 5 – Gender Equality is at the core of the UN 2030 Agenda and traverses the policy/planning spectrum, budgeting and financing arrangements and finally complete, useable and reportable disaggregated data.
2. The Cooperative Audit of Preparedness for Implementation of the SDGs represented a huge visibility exercise for Pacific SAIs to demonstrate their relevance, capability and passion for the countries they represent. There is no doubt that all SAIs had an impact within their jurisdiction, albeit to varying degrees.
3. Every Pacific SAI that took part in the audit joined in and tried whole-heartedly to follow a complex and, in some cases, entirely new process of delivering audits to be a part of this far-reaching international initiative. While success levels and outputs were different, the amount of commitment and effort was uniform across the Pacific SAI community. This momentum needs to be capitalised by Pacific SAIs including SDG audits in their annual

planning process in conjunction with international partners and stakeholders focusing on SAI capacity development needs.

4. FSM Group – First Coordinated Audit Approach for PASAI as a region, and also piloted and encouraged a coordinated approach for the Federated States of Micronesia, which is made up of four groups of Island states in geographic sequence from west to east – Yap, Chuuk, Pohnpei and Kosrae. They are autonomous and each have unique geography, ecology, language and culture and each have their own Public Auditor’s Office. With support from PASAI a collaboration or coordinated-audit approach, led by the Office of the National Public Auditor (ONPA) with the Office of the Public Auditors of the four states (Pohnpei, Chuuk, Kosrae and Yap), resulted in a Performance Audit Report, which provided recommendations to the governments on the localisation or integration and preparedness of the UN’s 17 Strategic Development Goals. This Audit report was issued by the FSM National and included joint results and audit recommendations from the audits conducted. This is the first time a coordinated approach was carried out and the findings, conclusions and recommendations were provided to the FSM’s SDG working group (established by the FSM President) and the recommendations accepted and well received. All SAIs participating in this coordinated approach have gained from sharing lessons learnt, knowledge and providing a strong message to the national government on the audit recommendations raised. It is hoped that this model will continue in the future to benefit all the SAIs within this unique island grouping.

## KEY MESSAGES

The following key messages emerged from the Pacific audit reports that are currently publicly available. They are also reflective of the messages from SDG preparedness audits in other INTOSAI regions.

### 1. Needed: National institutional frameworks supporting sustainable development outcomes

Most countries have started the journey of integrating the 2030 Agenda into their national institutional context. This is occurring through a range of approaches appropriate to the country’s circumstances (including its level of development) and its existing institutional framework.

#### 1.a – Incorporating SDG targets and indicators into national development plans

Most countries had or were in the process of identifying the gap between their national development plans and the goals, targets and indicators set out in the 2030 Agenda. While countries are updating their sustainable development planning frameworks, there was still a lack of alignment between these plans and national budgeting arrangements.

**The FSM SAIs**, in their coordinated audit, noted the lack of a plan to guide states on how to integrate SDGs into their context. Audit reported that this resulted in the failure of the national, state and local governments to integrate the SDGs into its federated context.

Further audit recommended that the national government establish a mechanism for aligning national planning and budgeting processes with the SDGs.



### 1.b – Financing the plan

The **Addis Ababa Action Agenda (2015)** establishes a strong foundation to support the implementation of the 2030 Agenda for sustainable development. It aims to provide a new global framework for financing sustainable development by aligning all financing flows and policies with the economic, social and environmental priorities of sustainable development. The objectives of the Addis Ababa Action Agenda are to mobilize public and private resources and establish appropriate public policies and regulatory frameworks to stimulate private finance, trade and technology development.

The Action Agenda lays out the steps that countries can take to fund the new SDG agenda starting with a stocktake of existing financing instruments, both domestic and overseas, that are available to each individual country.

On an encouraging note, **the SAI of the Solomon Islands** was advised at interview with the central coordinating ministry that the government is currently in the process of developing a national financing framework for the implementation of the SDGs which are aligned with the National Development Strategy (NDS), taking into account the Addis Ababa Action Agenda objectives.

To support this approach by government, the SAI identified and promoted the expected benefits including: a more coordinated implementation of the planned priorities (aligned to the government priorities, including the SDGs and better development outcomes); improved accountability for performance by implementing departments/ministries; informed monitoring of performance to enable resources to be re-allocated for improved delivery of national priorities; and better and improved lives for all Solomon Islands citizens.

Further the SAI recommended that the coordinating ministry (MDPAC) develop a national financing framework which guides the funding of the NDS and related SDGs. Furthermore, the ministry should conduct more consultation with stakeholders (donors, ministries, and other central agencies) to assist them establish this framework.

### 1.c - A representative oversight committee to monitor implementation of the 2030 Agenda

Considerable work has been undertaken in most countries to develop high-level coordination arrangements for the oversight of integrating SDGs into the national context.

To foster 'buy in' by all sectors of society, it is important to involve non-state actors in this oversight arrangement concerning SDG implementation. Overall, however, the Pacific governments audited have focused less attention on using such participatory processes as a mechanism to promote the integration of SDGs into the national framework.

In **Tuvalu**, **the SAI** noted that a Development Coordination Committee (DCC) and SDG taskforce is in place to support the implementation of the national plan and SDGs and report to Cabinet on the progress of related activities.

The audit also commented on the importance of having all stakeholders represented in the DCC and SDG taskforce committee structure. A recommendation from the SAI is for a more balanced representation of all stakeholders within the DCC and SDG taskforce committee.

### 1.d – Appointing a lead agency with appropriate levels of authority

Such an arrangement encourages Ministries, Departments and Agencies, which are accustomed to working in silos, to work collaboratively.

As can be expected, most Pacific countries are still coming to terms with this new way of working. However, positive examples of how this initial audit of government preparedness to implement the SDGs might assist governments and key stakeholders are emerging.

**In Palau, the SAI** concluded that the government of Palau, represented by the Bureau of Budget and Planning (BPP) in the Ministry of Finance, was not adequately prepared to lead the implementation of the UN 2030 Agenda for sustainable development. It further noted the lack of a coordinated planning framework and the absence of a mechanism aimed at increasing the understanding of government and non-government stakeholders of their roles and responsibilities in the national planning process to achieve national development goals and targets.

Audit recommended that a clear focal point be identified that could lead the implementation and assign roles and responsibilities and accountabilities amongst national bodies for the effective implementation of the SDGs.

## 2. Collaborating cohesively for cross-cutting results

**Policy coherence** across and between levels of government is a work-in-progress in most of the Pacific countries audited. Uneven starting points between countries concerning what mechanisms they currently have available to them to respond to the challenges of SDG implementation in a coherent and coordinated way across and between levels of government, means that the issue of policy coherence is still an emerging feature of public administration for most of the Pacific governments audited.

Overall, the audits reported that a significant amount of work and recalibration of the machinery of government is already taking place or will shortly commence across the horizontal dimensions of policy coherence - that is, central agencies joining up to achieve cross-cutting results. However, governments have placed less emphasis on vertical policy coherence - developing synergies between central and lower levels of government.

### 2.a Horizontal Policy coherence

**Tuvalu has a national sustainable development plan (TKIII)** which is based on the UN 2030 Agenda. This plan provides a matrix for each of its strategic areas including key performance indicators, strategies, financing and milestones. It also identifies implementing agencies. At the time of the audit, the Evaluation and Coordination Unit (ECU) which is responsible for implementation of the plan, was in the process of stocktaking the activities and programs of ministries to see what results have been achieved, not achieved, in progress and partially achieved. This provides a snapshot of the current status of line ministries' achievements of national goals and targets. However, audit found that there is no responsible body with the authority to ensure line agencies are working together to achieve results.

To address this lack of horizontal policy coherence, the SAI of Tuvalu recommended: As the main coordinating agency and secretariat for TKIII, it is recommended that ECU together with the SDGs taskforce committee develop a coordination mechanism to strengthen cooperation between line ministries.

## 2.b Vertical Policy Coherence

The SAIs of FSM concluded, despite initial actions towards preparing for the implementation of the SDGs, governments at all levels within FSM failed to fully integrate the UN 2030 agenda into the national and sub-national context.

Recognising the lack of vertical policy coherence, the SAIs of FSM observed that the states and local governments were 'yet to come on board'. The absence of a coordinated and responsive planning framework resulted in community level plans that were not consistent with state and national plans. The SAIs of FSM recommended a review of the current decentralisation policy to put in place an effective mechanism for devolving powers and responsibilities to the local government for the effective implementation of development projects and service delivery.

## 3. Putting it all into practice

At this preliminary stage of developing Whole of Government arrangements for implementing the SDGs, most governments are relying on enhancements to their existing tax system to fund SDG action plans and programs. Overall, governments do not yet seem to be developing innovative mechanisms (including identifying partnership opportunities to access the additional resources and capacities required for SDG implementation. However, there are noteworthy exceptions to this.

### 3.a Developing partnership arrangements with international and national stakeholders

Aid effectiveness depends on the creation of cooperative partnership opportunities at the national, regional and international level. These partnership opportunities can be one-on-one bilateral, national level dialogue between governments and Donor Partners and others at the regional or at international levels. It is also crucial that when entering into these partnerships, governments in developing countries are able to direct resourcing to the strategic objectives set out in their sustainable development plans.

**The SAI of the Solomon Islands** reported that its government has adopted an aid management policy to identify key cooperation and partnership opportunities.

The government has identified key cooperation and partnership opportunities to obtain resources; and its priority for effective development cooperation with development partners and is currently implementing the Aid management and development cooperation policy (January 2016) with all partners. The objective of the Aid Management and Development Cooperation Policy is to bring tangible improvements in the utilization of external and domestic resources to ensure alignment with the objectives of the National Development Strategy.

To enhance the effectiveness of the policy, audit recommended:

- Solomon Islands Government (SIG) and development partners create opportunities to capitalise on using the systems and processes of SIG;
- Ensure that the Aid Management Policy is reviewed regularly in order to achieve the development needs of the country;
- Ensure that other stakeholder sectors like CSOs, NGOs and others are involved in the implementation of the SDG and that they produce their reports;
- Improvements in reporting on the use of resources from development partners to SIG.

## 4. Mining the data for measurable impact

The majority of countries audited are struggling to come to terms with the massive data requirements of the 2030 Agenda. As with other areas of interest, country approaches are varied and, in some instances, identify core data challenges associated with SDG implementation.

### 4. a Monitoring, follow up, review and reporting mechanisms

**The SAI of Palau** noted the lack of a designated agency responsible for the overall monitoring, follow up, review and reporting on progress for implementation. Further, audit reported that the essential processes and procedures had not been developed to ensure quality, timely, accessible and appropriately disaggregated data were available for monitoring and reporting purposes.

Audit commented on the importance of a designated agency with clearly defined roles and responsibilities for monitoring and reporting. Such a designation should include the necessary authority to carry out the task assigned to it.

### 4. b Establishment of a reliable set of baselines, indicators and milestones

The SAIs of FSM reported that a national assessment on the localisation of SDG targets and indicators was carried out in 2017. The draft government assessment report indicates that there is a lack of data for 200 of the 240 SDG indicators that are traced to the FSM Sustainable

Development Plan (SDP). Audit noted the disparity of data availability across sectors with data mostly available for goals relating to economic development, health and education and natural resources but little data available in other SDG-related sectors such as energy, consumption etc.

Audit recommended the harmonisation of data collection tools for quality, timely and adequately disaggregated statistical data and establish a mechanism for the coordination, monitoring and reporting of implementation progress as an integrated part of the FSM SDP. The SAIs further recommended that the national and state governments establish a consolidated system which will capture all sectoral data from states and local governments that will be used to monitor the progress of implementation of development activities.

## CROSS CUTTING INSIGHTS

### 1. Gender mainstreaming – a model for inclusiveness

As with other developing countries where SAIs audited the core SDG principle of inclusiveness – ‘Leaving no-one behind’, Pacific SAIs were limited by most governments lack of attention to this dimension and to opportunities available through recognition of gender equality as a powerful motivational tool for sustainable development. However, in some jurisdictions SAIs were able to identify and report good practices where governments were refreshing their sustainable development plans and targets through a strategic sectoral review of existing policies and legislation focusing on inclusion and gender equality.



The SAI of Fiji reported that the government of Fiji under its five-year National Development Plan had identified the need for a review of existing policies and legislation for some sectors. These included implementing, monitoring and reviewing legislation relating to the principles and provisions of the Convention on the Rights of the Child, Convention on the Rights of Older Persons, Convention on the Rights of Persons with Disability and other relevant international instruments to address the national goal of “a socially inclusive Fiji and empowered Fijians”.

Audit further reported that the Parliament of Fiji now mainstreams gender issues in its legislative processes and oversight functions. Parliament scrutinises all legislation, policies and plans with the assistance of a toolkit (Scrutinising Legislation from a Gender Perspective) developed with the assistance of the UNDP. Gender mainstreaming is a key strategy used by the Fiji Parliament towards progressing the SDGs, in particular Goal 5 – ‘achieve gender equality and empower all women and girls’. The Parliament’s Standing Orders require a gender-based analysis to be used by parliamentary committees when scrutinising legislation or undertaking their oversight functions.

## 2. Around the table: listening and responding to everyone’s concerns

Individual countries are adopting a range of strategies to increase people’s awareness and understanding about the Agenda. Awareness raising is critical to link the Agenda to domestic concerns and priorities and to align national development plans and policies with the SDGs. But stakeholder engagement needs to go beyond awareness by ensuring that citizens (that is, those most affected by SDG implementation) have opportunities to raise concerns and have their issues acted on.

The government of Fiji has a range of communication tools at its disposal. Audit noted this and recommended the following:

- An overarching communication strategy should be developed to assist implementers in deciding strategic priorities for public engagement;
- The National Development Plan (NDP) should be translated into the vernacular languages and distributed to as many areas as possible; and
- The Ministry of Economy should develop a mechanism that will gauge the extent to which awareness of their consultation fora reaches the entire populace.

## IMPORTANT LESSONS FOR PACIFIC SAIs

The call for the oversight role of SAIs in the efficient, effective, transparent and accountable implementation of the 2030 Agenda is explicitly recognised in the UN General Assembly’s December 2014 resolution ‘Promoting and fostering the efficiency, accountability, effectiveness and transparency of public administration by strengthening supreme audit institutions’ (A/69/228). The SAI oversight role is further elaborated in SDG 16.

SDG 16 - Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels



At the 2019 PASAI Congress, Pacific SAIs had the opportunity to reflect on their experiences in the SDG preparedness audit and share what lessons they had learnt from their participation. These insights were expressed thematically and included:

**Theme 1** – conducting an audit in compliance with Performance Audit ISSAIs;

**Theme 2** – auditing across the entire 2030 Agenda;

**Theme 3** – using a Whole of Government approach;

**Theme 4** – engaging with stakeholders;

**Theme 5** – writing balanced reports;

**Theme 6** – cooperation of audit entity staff;

**Theme 7** – enabling SAI environment;

**Theme 8** – composition of audit team.

### **Theme 1 – conducting an audit in compliance with Performance Audit ISSAIs**

SAI audit practice is derived from the SAI's mandate and supported by an international set of auditing standards along with manuals and guidelines particular to the type of audit. These types of supporting documentation are tailored to the SAI's mandate and take account of the national context e.g. governance arrangements.

#### *The role of ISSAIs*

Internationally recognized auditing standards serve two purposes:

1. They provide systematic and consistent guidance on the planning, execution, reporting and follow up of audits; and
2. Because of their systematic nature, they also provide a degree of assurance to the audited entity that the audit was carried out in a professional and objective manner by suitably qualified auditors.

Performance Audit ISSAIs:

*ISSAI 300 defines and expresses INTOSAI's recognition of the principles for the auditing of economy, efficiency and effectiveness. It constitutes the basis for performance audit standards in accordance to the ISSAIs. ISSAI 300 provides the framework, the general principles and an overview of the nature and the elements for performance audits. ISSAIs provide 'how,' or the methodology and standards to which the audit work needs to be done.*

Because of the importance of 'good practice standards based' performance auditing, IDI embedded ISSAI 300 principles and practices in the guidance for auditors conducting the international preparedness audit. The audit model that all SAIs followed was developed as an ISSAI-based performance audit of preparedness for implementation of the 2030 Agenda.

Pacific SAIs commented on their experiences of conducting an ISSAI based performance audit of preparedness to implement the SDGs. By and large, their observations were positive, however some SAIs found the process challenging.

**SAI Tonga** reflected on their experience and noted that the audit team needed to continually check its work against ISSAI requirements.

**SAI Tuvalu** considered that they required a deeper understanding of performance audit ISSAIs to systematise their audit practice.

## Theme 2 – auditing across the entire 2030 Agenda

The call for the oversight role of SAIs in the efficient, effective, transparent and accountable implementation of the 2030 Agenda is explicitly recognised in the UN General Assembly's December 2014 resolution 'Promoting and fostering the efficiency, accountability, effectiveness and transparency of public administration by strengthening supreme audit institutions' (A/69/228).

As well, an international stakeholder group (Partners for Review) concluded that:

*SAIs need to be involved from the beginning and throughout the 2030 Agenda process, which means that they do not have to wait until 2030 to assess whether the SDGs have been effectively implemented.*

The early involvement of SAIs in auditing preparedness has flagged SAIs' active involvement in the whole agenda including implementation effectiveness as well as follow up and review processes.

Pacific SAIs considered that the following factors need to be addressed when auditing across the entire Agenda:

- National systems should have the capacity to monitor and track progress against National Strategic Plans relating to SDGs;
- Further assistance is needed to ensure that SAIs grasp the complexity of SDGs;
- Where possible, resources and capacities should be shared between SAIs;
- SAIs need to work on reinforcing cooperation through partnerships with other stakeholders to gather SDG related information;
- Pacific Island countries need to develop an overall nation-wide picture of their SDG plans including how they will obtain, manage and report on SDG related information;
- There should be regular supervision of audit work (Quality Control).

**SAI Palau** suggested that cooperation and partnership could be developed among the implementers. This would not only facilitate the implementation process but assist audit in accessing relevant data.

This insight was further elaborated by the **SAI of Cook Islands** who stated that there should be a system in place for retaining information on the Cook Islands National Sustainable Development Plan (NSDP) to assist ministries and Audit in tracking the progress of the NSDP.

### Theme 3 – using a Whole of Government approach

Due to the complexity of the audit topic, Pacific SAIs welcomed using a Whole of Government approach to enhance their audit practice while still acknowledging the challenges that it presented. SAIs demonstrated a strong appetite to continue using this novel audit technique when auditing SDG implementation. Assistance on how to audit Whole of Government characteristics (see p.4) was provided by the IDI/UNDESA publication: Guidance on auditing SDG preparedness, 2016. They were also embedded in the on-line and other support training provided to SAIs internationally including the 13 Pacific SAIs.

**The SAI of the Cook Islands** commented that data/information from the audited agencies was generally slow. This impacted the Whole of Government audit approach.

**The SAI of Tonga** considered that the Whole of Government approach was appropriate for addressing the Agenda 2030. Both promote inclusiveness and coordination to deal with critical problems that societies face to achieve ambitious and world changing goals.

**The SAI of Palau** observed that its implementing agencies need to ensure that the level of SDGs awareness applied equally to all stakeholders.

### Theme 4 – engaging with stakeholders

INTOSAI-P12 provides the framework for SAIs to engage with other interested parties during the audit process. However, to embed this new approach into SAI audit practice different audit methodologies were needed. The use of audit tools such as focus groups, citizen surveys, stakeholder mapping and the Responsible, Accountable, Consulted, and Informed (RACI) analysis expanded existing audit practice. These tools provide a new dimension, enabling SAIs to gain a range of perceptions and experiences that leads to a richer, more stakeholder-centred audit.

Pacific SAIs embraced innovative methodologies such as stakeholder mapping, citizens' surveys and focus groups while recognising the capacity challenges for SAIs of fully utilising them.

Pacific SAIs collectively noted the challenge of involving non-government stakeholders in the audit of preparedness. **SAI Fiji** in particular noted that during the planning phase, we were not able to obtain the desired information as there was a lack of awareness of the SDGs with government stakeholder contacts considered vital in the audit process. There is a need for more engagement with non-government stakeholders.

**SAI Tuvalu** found that stakeholders willingly and freely gave their time to meet us despite their busy schedules and that audit needed to allocate time for meeting with non-government stakeholders. Involvement of stakeholders in the whole process is crucial to get a balanced idea of their views on Tuvalu's national development goals including the SDGs. The lesson of leaving no one behind promotes broader stakeholder awareness and engagement. Most Tuvaluans are not aware of the national sustainable development goals expressed in our national development plan - TKIII and the SDGs.



## Theme 5 – writing balanced reports

Balanced audit reporting, where SAIs identify positive as well as negative results, is constructive. Traditionally, stakeholders (in this case audited entities) consider auditors to be overly focused on the negative findings of their audit work. This is also often the mindset in audit offices. Balanced reporting helps to ensure that the audit report is – and is seen to be – fair and objective, noting both positive and negative aspects of government administration. Balanced reporting provides an opportunity for SAIs to shift the perception of audited entities away from a fault-finding mentality to a more positive understanding of the audit process as a means of fostering improvement. It lays the groundwork for enhanced engagement with audited entities and others with an interest in the audit.

**SAI Fiji** commented that balanced reporting provided them with the opportunity to write up issues in perspective and also to use simple layperson terms that made the report understandable to the wider stakeholder community. Also writing the report against agreed criteria meant that the audited entities were not subject to ‘surprises’.

**SAI Tonga** found that during the audit the audit team learned to identify not only areas where the auditees needed to improve on but also the good things they have already done. This provided the opportunity in the report to highlight areas of improvement while including stories of good practice already adopted by national governments.

## Theme 6 – cooperation of audit entity staff

As with their international SAI counterparts, most Pacific SAIs found access to information and the cooperation of entity staff to be very challenging. SAIs addressed this challenge by a more proactive engagement with auditees to reduce log jams in the flow of information. Assignment of roles and responsibilities within the Government Ministries was critical and there was often a lack of resources at the Ministry assigned with responsibility to implement SDGs. As well, access to information held by non-state actors was not always manageable.

**SAI Tuvalu** found that: while audit entities were willing to provide audit with the information needed, many were not available to do this as key personnel were either not available or had competing priorities. The availability of key staff was critical for timely completion of audits.

**SAI Fiji** commented in a similar manner that while communications with the Ministry of Economy as the audit contact was good, they however, had competing priorities which included preparing Fiji’s first Voluntary National Report (VNR) for submission to the UN.

## Theme 7 – enabling SAI environment

It is fair to say that at the commencement of the preparedness audit, most Pacific SAIs and indeed other stakeholders, underestimated the resource intensive nature of this type of audit, including the imperative to collect large amounts of data from a variety of sources for analysis. Auditing across the entire 2030 Agenda was a massive task with corresponding demands on SAI resources putting pressure on human resources and time availability. Over the course of the audit, SAIs were able to address this challenge through a range of mechanisms including optimising use of the stakeholder engagement techniques referred to under [Theme 4](#).

**SAI Palau** found it useful to engage others within the SAI who also had SDG related assignments. This gave them the opportunity to share knowledge and experience. **Cook Islands SAI** found it beneficial to have people with specialized skills (e.g. financial auditing skills) to assist staff assigned to the performance audit on preparedness. To enhance their knowledge base, **SAI Tonga** is actively pursuing developing the knowledge and skills of its staff in relation to the ISSAIs and is undergoing a project to this effect where staff assessed how their prior audits complied with the ISSAIs. This enabled the identification of areas where implementation still needs to be improved. The SAI, with other supporting partners, have also provided ISSAI training to its staff on the three streams of audits and subsequently staff are carrying out pilot audits to apply their ISSAI knowledge. This assisted with providing more training to the staff on the ISSAIs.

These are all very positive reflections which will encourage SAI capacity development in the future not just to audit the SDGs but to respond to the increasing outcome focus of our development partners. As one of our development partners commented:

*SAI involvement in auditing SDGs has benefited my organization. Initially I had the view that this may not be a role for SAIs. Following discussions and reading of reports it's easier to understand how SAIs can assess, undertake and contribute to the implementation of SDGs. Coordination of these efforts are also proving to be an effective opportunity for exchange of information and knowledge across the region (Pacific). These are good indicators of development outcomes.*

## Theme 8 – composition of audit team

Auditing the entire 2030 Agenda from a 'preparedness' perspective encouraged the majority of SAIs to adopt a 'whole of SAI' approach when selecting audit team members and supervisors.

As Tiofilusi Tiueti, Chief Executive, PASAI commented:

*The key message for me from the preparedness audit was to emphasise the importance for our Pacific SAIs to understand their country systems, to update their country knowledge regularly and to identify where emerging risks to system capacity are, especially concerning SDG implementation. It's important for our auditors to broaden their understanding of the Public Financial Management (PMF) system – planning, budgeting and implementation in their countries.*

SAIs acknowledged the opportunities to blend an audit team from across its traditional divisions of financial, compliance and performance auditing (including environmental auditing) and identified the resulting benefits for their audit practice from this approach.

**Cook Islands SAI** reflected on their participation in the preparedness audit and noted the following constraints: Absence of an audit manager, the lack of timely feedback from the head of SAI (who is supervising us in this audit) as he also has other work commitments, inability to meet regularly due to all staff not being available for meetings, lack of technical expertise in performance audit and lack of continuity in staff assigned to the audit.

Most Pacific SAIs considered audit planning to be a very critical factor supporting quality audits. Enhanced planning would enable Pacific SAIs to address most of the shortfalls identified under this Theme.

## How will we maintain the SDG auditing momentum in the Pacific?

This section sets out what SAIs plan to do to sustain their SDG auditing momentum and how they will be supported in this task by the international auditing community – INTOSAI, its committees and its Development Initiative (IDI).

### What do Pacific SAIs plan to do?

At the 2019 PASAI Congress, participating SAIs committed to maintaining their SDG auditing momentum by the inclusion of SDG audit topics in their strategic planning process. The keynote speaker at the Congress, Hon. Ratu Epeli Nailatikau, Speaker of the Fijian Parliament, in his opening remarks emphasised the importance of the SDGs, and how delivering the 2030 Agenda relies on good governance including the qualities underlined by SDG 16 – openness, transparency and inclusivity.

SAI Heads **concurred** with the Speaker's comments that the SDGs are universal, the SAI and Parliament are key stakeholders in accountability of this work, and collaboration with stakeholders including non-state actors is critical, as is the importance of changing 'the way we do things. It is no longer business as usual.'

SAI Heads **agreed** that in the implementation of the 2030 Agenda, SAIs can play a key role in holding the government to account and measuring the effectiveness of SDG policies and programmes through carrying out performance audits, and in doing so make a difference to the lives of citizens.

Stakeholders present at the Congress **acknowledged** that SAIs have added value through the cooperative performance audit of preparedness for implementation of the SDGs.

The SAIs have **learned** a great deal about performance audits and working on cooperative initiatives, and are keen to consolidate this learning into the strategic planning processes of their Offices.

SAI Heads **noted** the continued international development of SDG implementation, providing a challenge for SAIs to consider the following:

1. deciding at a SAI-level which SDGs (or any or all) should be audited, and what audit approach would be undertaken, to provide the strongest impact and relevance for the country's SDG initiatives and work towards the 2030 Agenda;
2. growing capacity under the new PASAI delivery approach to ensure that the right support is given, at the right time, and in the right way;
3. working in conjunction with a variety of established stakeholders at national and regional levels who are expert in the field (eg gender, climate change) to inform the audit process appropriately; and
4. sharing insights, issues, challenges, lessons learnt from related audits of SDGs implementation by one or more SAIs at future Congresses.

### International support for SAIs continuing their SDG auditing journey

At the same Congress, the INTOSAI Development Initiative (IDI) presented their ongoing support through the development of the IDI SDGs Auditing Model (ISAM).

## IDI SDGs Auditing Model (ISAM)

IDI set out the need for this enhanced auditing model – noting that during the preparedness audit, SAIs found that the SDGs are new and complex and the Whole of Government approach challenging to audit. IDI's International survey of SAIs reported that most SAIs want to audit the implementation of the SDGs but need support to do this.

ISAM's framework is based on five principles:

1. Focus on outcomes;
2. Recognition of SAI diversity;
3. ISSAI based;
4. Inclusiveness; and
5. Adding value.

Central to its framework is a commitment to:

- **Leave no SAI behind** – the audit model will be flexible enough to ensure its relevance to SAIs of all capacities, mandates and environments;
- **'How to'** – the model will include detailed tools and techniques;
- **Innovative** – the model explores innovative audit approaches, tools and techniques;
- **ISSAI based** – the model will use the ISSAIs as quality benchmarks; and
- **Mainstream gender/inclusiveness** – provide for gender/ inclusiveness considerations at the SAI level and at the individual audit level.

To ensure that any audit of SDG implementation is comprehensive and aligned with the requirements of the 2030 Agenda – that is a **whole-of-government approach**, the ISAM framework will aim to ensure that the audit can conclude on the following:

- progress made towards the achievement of the nationally agreed target;
- how likely the target is to be achieved based on current trends;
- the adequacy of the national target in comparison with the corresponding SDG target(s); and
- the extent of **coherence and integration** in the implementation of policies allowing for:
  - **inclusiveness**; and
  - **multi-stakeholder engagement**.

## The way forward for Pacific SAIs and SDG implementation audits

At the PASAI Congress where the proposed ISAM model was discussed, Pacific SAI Heads **acknowledged** the IDI SDG Audit Model (ISAM) as a tool to use, once finalised, by SAIs in their audit of the implementation of SDGs and **provided** inputs towards improving the proposed model.

SAI Heads also **noted** the continued international development of SDG implementation and the organisational and capacity challenges this presents for SAIs.

Supporting the way forward, the PASAI Secretariat would act as a learning and knowledge platform for SAIs by providing SAIs with information and guidance on matters and issues relating to SDGs and also to assist enhancing SAIs knowledge and awareness in the audit of implementation of SDGs. PASAI, through its communication network, provides a valuable portal to share success stories of SAIs on SDGs related activities.



*“Pacific Auditors Working  
Together”*